

**Report to the Board of Education
 Tuesday April 10, 2018
 Subject – March 2018 CBOC Meeting
 Citizens Budget Oversight Committee**

The Citizens Budget Oversight Committee met on March 28 to review the District financial reports for February. Joining me were CBOC members: Laura Nash; Monica Moriac; Board liaison Elizabeth Campbell Paige; and CFO Bob Silber.

The Financial Reports reviewed for February were prepared by the District utilizing information from the State Accounting System. The balances from these internally generated reports align with reports generated by the State Accounting System. The reports provided by the District include a record of current expenditures and revenues. The documentation includes encumbrances, expenditures, and remaining funds available, as required by Delaware Administrative Code. The District, in addition, provides for Agency 3300 (our Agency directly supported by Local Tax Revenue) operating expenses identified by source of funds: State; Local Restricted; Local Unrestricted; Capital; and Federal.

For Agency 3300 receipts for the month were ~ \$ 2.5 Million. State revenue of ~\$ 1.09 Million reflect state funding in categories tied to the final determination of related service teaching units, and continued funding for transportation. Local receipts of ~\$1.41 Million were driven by Cafeteria funding and funding for Parents as Teachers.

Non-Federal operating expenses year to date are ~\$ 156.1 Million, representing 64.52% of the approved budget, with 66.7% of the year completed. All variances are timing related, or the result of expenditures not included within the budget (School Internal Accounts).

Receipts for the Special Agencies were primarily State Transportation funding and payments by Christina School District in the form of an advance against tuition billing. Expenditures are aligned with approved budgets.

	Receipts for the Period	Expenses YTD	Percent Of Final Budget
Delaware School for the Deaf	~ \$ 556 Thousand	~\$ 8.03 Million	~64.40%
District Programs (ILC & REACH)	~\$ 1.09 Million	~\$ 15.1 Million	~64.14%
Delaware Autism Program	~ \$ 1.27 Million	~\$ 23.3 Million	~67.35%

New Business Discussed:

- Charter/Choice Payments – Discussion on topic was requested by CBOC. CFO provided background information on the methodology utilized by the State in calculation of the Total Local Operating Expenditures per Unit. This figure is utilized to determine the local cost per student, after any inflation adjustment.

We found it troublesome that existing legislation permits an adjustment for inflation, but the District does not have the same ability to adjust revenue in the same manner. The proposed State Operating Budget calls for a 2% inflation rate. While the rate this year was 0%, had this 2% rate been in effect, our Charter Bill/Choice Bill would have increased by ~\$500,000.

Review of Local Cost per Student, during the period following the last referendum followed the pattern expected. Calculations for the cost per student lag one year.

The CFO also provided details of the loss of students over the last 8 years, and details on student populations served by Charter Schools and Other Districts. Over 90% of the students leaving the District are regular education students K-3 and 4-12.

- Leasing of Naming Rights – discussion continued, with members raising questions regarding the proposed use of funds for the stated operating purpose to save jobs. Uncertainty regarding how such funds could be implemented as proposed. Perspective also shared that the program may be better suited for capital improvements.

Other items discussed, not on the agenda, were:

- Later start time for schools. It was recognized that a component of the Wilmington Schools MOU contained a later start time. The question was raised if a financial evaluation was performed, and if the opportunity was considered for the entire district. The CFO indicated that no financial evaluation was made regarding the later start time for the Wilmington Schools.
- Referendum – Question raised regarding an Operating Referendum. When last operating referendum was presented, we were informed that we should anticipate another referendum in 2 years. Our CFO responded that he anticipates referendum conversation will closely follow the approval of the strategic plan.

Our next meeting is scheduled for Wednesday, April 18 at Gauger-Cobbs Middle School, in the Professional Library, with a start time of 6:30pm. Please join us if your schedule permits.

Respectfully submitted,

Bud Mullin

Bud Mullin, Co-Chair
Citizens Budget Oversight Committee